From: Contrast Incorporated <contrastinc@yahoo.com>
To: Ehud Barak <ehbarak1@gmail.com>
CC:
Date: Sun, 9/6/2015 7:55:47 PM
Subject: re telecom opportunities in Ghana

Dear Ehud,
As per the documents sent to CH Corp, on telecoms opportunities on the 800Mhz frequencies that would become available for mobile broadband in Ghana, once the digital migration for television is completed, I propose that we move forward with them on the two identified opportunities as follows:-
There are two excellent opportunities in the telecommunications sector in Ghana. Firstly Ghana needs to migrate its analog television network to digital. Secondly the migration of television from analog to digital would make frequencies available in the 800 MHz for auctioning for mobile broadband triple play (voice, video, data) service provision.

We propose the following strategy in taking advantage of both these opportunities:-

DIGITAL MIGRATION OF ANALOG TELEVISION IN GHANA

Government's currently is considering only one model, which is contracting a company to build out the infrastructure for a Government agency to operate.

Our model could be that of proposing to Government to establish a Joint Venture company with Government having up to 40% ownership that would build and operate the system. Under this model, our company would first have to determine the total cost of build out for the system, and this would become the basis for the equity value of the company. Our consortium (Contrast /Ergo and the) would operate the system when built. The revenue model would be income from television companies transmitting over the system, and also from the provision of set top boxes to third party users. Also the company can leverage its management and operation of the transmission platform to operate through other companies owned by the partners, pay per view channels (e.g prime movie and sports programming channels).

Through effective pricing, it may be possible to undertake the financial engineering in favour of the partners. This would be discussed.

It would first be necessary to get an indication from a build out supplier the cost of providing digital television transmission platform to cover the whole of Ghana, and initial operational cost. This would provide a guide for the valuation of the company, and hence Government of Ghana's share. In addition, to assist Government of Ghana to pay for its share, the partners may offer to arrange a loan to be guaranteed by the Government of Ghana to pay for its share.

Based on this, we can formally make our offer to the Minister for Communications for a joint venture company to build out and operate the digital terrestrial television transmission network.

BROADBAND

Once the migration to digital television is complete, the released frequencies in the 800MHz would become available for auction. It is advised that the partners also bid to acquire a spectrum for the deployment of a mobile broadband triple play (voice, video, data) network. This would be a full fledged 4G network. The steps for this would be first the incorporation of a JV company in Ghana, of which at least 40% equity is held by a Ghanaian individual or wholly Ghanaian company, and must also be already in the telecommunications business. This latter condition could be arranged by Contrast.

Time is of the essence on the projects, and would like for a meeting with Gabriel ASAP on these subjects i.e: stranded oil and gas reserves, digital television migration and mobile broadband service in Ghana. Please ask Chairman Yao to arrange for a meeting in Tel-Aviv or Istanbul.

Regards

Steve